



agriculture community. This program should provide support for a broad range of tools that encourages government investment into the specialty crop industry and allows for flexibility to its participants. At the same time, the specialty crop block grant program must establish safeguards to ensure that the program funding will be allocated to the intended stakeholders and in particular will not supersede existing local, state, or federal programs dedicated to the competitiveness of the specialty crop industry.

**Base Block Grant Funding** – Under the proposed rule, the language states that “*Subject to the appropriation of funds, each State that applies is to receive at least \$100,000 to enhance the competitiveness of specialty crops.*” This would seem to imply that every state would receive \$100,000 as long as the state submitted an application for consideration. Although it is not stated but we assume it is implied, the state application should be ‘reviewed and approved’ by USDA before the funding is allocated.

**Competitiveness** – One of the major themes surrounding the proposed rule is what programs and projects would be defined as enhancing the competitiveness of the specialty crop industry. The rule does not clearly define competitiveness but establishes that the funding under the specialty crop block grants shall be used solely to enhance the competitiveness of specialty crops. Therefore one of the major functions of USDA will be to determine whether the state plan that has been submitted is actually enhancing the competitiveness of the specialty crop industry.

In December, 2005, the fruit and vegetable industry (coordinated by United Fresh fruit and Vegetable Association) provided USDA with a white paper outlining the key elements the industry would like to be considered when developing guidelines for the ‘enhancing competitiveness.’ GFVGA supports and believes language should be included that would encourage state plans to demonstrate how their application supports specialty crop competitiveness in such areas as research, promotion, nutrition, education, trade enhancement, food safety, food security, and plant health programs.

**Expected Measurable Outcomes** – Item 1290.6 (v) of the proposed rule states at least two or three ‘discrete’ and quantifiable measurable outcomes must support each project. While some projects may be able to be easily measured, the question of how to measure the level of impact a particular project would have on enhancing the competitiveness seems to be a difficult task. One could use a measurement analyzing consumption data, market penetration/awareness, or increased exports opportunities. However, how would AMS measure food safety, research, food security, or plant health related efforts. It will be difficult to measure the immediate impact of these areas on enhancing the competitiveness of specialty crops.

We recommend that USDA utilize measurement tools that do not focus just on increased utilization of specialty crops or economic impact but also look at the long-term value of investing in the infrastructure (research, education, promotion, etc) of our industry.

**Multi-State Projects** – GFVGA supports the proposed rule which allows for states to consolidate their resources to collaborate on a project(s) with one state assuming primary responsibility for the management. This would be an outstanding opportunity for states that do not traditionally have a strong foundation of specialty crops in their states. However, AMS needs to work carefully with these states who want to utilize this option to insure management challenges are overcome.

**Project length** – GFVGA supports the proposed rule that allows for projects to carry-over up to 3 years in length.

**AMS Administration of State Plans** – The proposed rule requires states to submit to USDA a state plan to show how grant funds will be utilized to enhance the competitiveness of specialty crops. We are

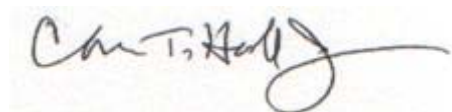
unclear as to whether AMS is interpreting this rule to broaden their oversight to make it necessary for AMS to approve each project prior to approval of state plans. If this is AMS intent, in effect this is adding another layer of reviews and approvals before the block grant is awarded and the funding is developing a program which is helping our growers 'enhance their competitiveness.'

GFVGA believes AMS has the authority and should use diligent oversight of the state plans through the reporting, oversight, and audit responsibilities required under the law. The proposed rule allows AMS to review the state plan and the subsequent reports to determine that states followed their proposals and that the results generally met the standard of "enhancing the competitiveness of specialty crops" in the state.

AMS should require each state to submit a proposal showing how they will administer the grants and adequately address key issues like project selection process. AMS should allow states adequate flexibility and discretion in establishing granting processes and selecting projects that will enhance the competitiveness of specialty crops. The very nature of a "block" grant to a state should preclude AMS evaluation of each specific project.

Thanks you for the opportunity to submit these comments.

Sincerely,

A handwritten signature in dark ink, appearing to read "Charles T. Hall, Jr.", with a stylized, flowing script.

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